



NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

June 7, 2018

The Honorable Cory Gardner
United States Senate
Washington, D.C. 20510

The Honorable David Joyce
United States House of Representatives
Washington, D.C. 20510

The Honorable Elizabeth Warren
United States Senate
Washington, D.C. 20510

The Honorable Earl Blumenauer
United States House of Representatives
Washington, D.C. 20510

Deb Peters
*Senator – District 9
South Dakota
President, NCSL*

Chuck Truesdell
*Fiscal Analyst
Office of Budget Review
Legislative Research Commission
Kentucky
Staff Chair, NCSL*

William T. Pound
Executive Director

Dear Senators and Representatives:

On behalf of the National Conference of State Legislatures (NCSL), I write in support of the “Strengthening the Tenth Amendment Through Entrusting States Act of 2018,” (STATES Act). The STATES Act seeks to respect states’ rights under the Tenth Amendment to the U.S. Constitution by amending the Controlled Substances Act, 21 U.S.C. § 801 *et seq.*, to permit states to craft and enforce their respective state laws and policies on marijuana legalization pursuant to their unique state goals. NCSL believes the STATES Act is fully consistent with federalism principals protecting states’ abilities to govern, while ensuring the health and public safety of all Americans.

While NCSL supports a strong intergovernmental partnership to fight illicit drugs, we also maintain that where states have made a policy choice to legalize and regulate marijuana, the federal government should respect those state decisions. Currently, 46 states, the District of Columbia, Puerto Rico, and Guam have some form of marijuana legalization or regulations. Of these 46 states, 30 states, the District of Columbia, Guam and Puerto Rico allow for comprehensive public medical marijuana and cannabis programs. Twenty states and the District of Columbia have decriminalized the possession of marijuana for personal consumption. We recognize that states have differing views on how to treat marijuana, and believe states and localities are best able to determine what marijuana laws and regulations work best to improve the public safety, health and economic development of their communities.

Current federal law is in direct conflict with state marijuana laws and policies. Marijuana is classified as a Schedule I drug under the Controlled Substances Act. This fact makes banking and taxation of marijuana at the state level difficult and complicated in states that have legalized it due to federal tax and banking regulations. This fact also puts federal law in direct conflict with emerging state policies regarding marijuana.

The federal Bank Secrecy Act and its implementing regulations impose substantial administrative and operational burdens, compliance risk and regulatory risk that serve as a barrier to banks and credit unions seeking to provide financial services to marijuana related businesses. NCSL supports the STATES Act because it removes existing federal barriers to robust financial and banking services currently afforded to other business enterprises and creates a safer environment to transact business, commerce and trade. By eliminating the need for marijuana-related businesses to transact business in a cash-only fashion, the STATES Act allows for states to effectively protect the health, safety, and welfare of employers, employees, future entrepreneurs, and the public generally.

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In closing, we appreciate the leadership of the STATES Act sponsors in introducing this bill. We are grateful for your recognition of the importance of the Tenth Amendment and your willingness to recognize that states have the right to create thoughtful and meaningful marijuana policy if they so choose. NCSL staff Susan Frederick (susan.frederick@ncsl.org / 202-624-3566) and Ethan Wilson (ethan.wilson@ncsl.org / 202-624- 8686) are ready to work with you to move STATES Act through Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "William Pound". The signature is fluid and cursive, with a large initial "W" and a distinct "P" for "Pound".

William Pound
Executive Director
National Conference of State Legislatures